

An Overview of Rush County's 2010 Annual Trending

April 1, 2010

The following steps were taken to conduct the 2010 annual trending in Rush County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Rush County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. This included the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments. For 2008 trending, particular emphasis was placed on re-examining all commercial and industrial parcels in terms of the assigned neighborhood and adjustments were made where necessary to achieve more uniform neighborhoods. For trending in 2009 and 2010, all neighborhood delineations were held constant from prior trending efforts.

Step 2: Calculation of New Land Values**

New land values were calculated for 2009. For residential property, both the land value update and market factor adjustment were the primary means of updating residential property values. In 2010, for both residential and commercial and industrial properties, no adjustments were made as sales data did not indicate the necessity of any update, except for neighborhood 5010200 which was reduced by 5%.

Step 3: Calculation of New Residential Factors & Residential Studies**

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Rush County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factor for neighborhood 5010200, which was a reduction of 5%.

Step 4: Updated Commercial & Industrial Improvement Values**

Nexus Group 2010 cost tables were implemented in Rush County for 2010 trending. These costs are essentially our 2008 costs with 4 exceptions which include: dining lounges, mobile home parks, banks, and special use commercial properties. Additionally, the depreciation year was also updated to 3/1/2010.

****Please note that the period of time from which sales were used for this ratio study was from 1/1/2001 to 2/28/2010. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for commercial and industrial property classes in Rush County, even going back to 2004, no additional sales data was yielded.**